

THE COMPANIES ACT (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

MACHUNDE INVESTMENT COMPANY LIMITED

Incorporated this ..... day of ..... 2014

DRAWN BY:  
MACHUNDE E. SOSPETER  
P.O. BOX 35116  
DAP ES SALAAM

TANZANIA  
Stamp No. 5000  
452502701  
Stamp No. 2500  
452502701

THE COMPANIES ACT (CAP. 212)  
COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF  
MACHUNDE INVESTMENT COMPANY LIMITED

TANZANIA  
Stamp No. 2500  
452502701

1. The name of the Company is **MACHUNDE INVESTMENT COMPANY LIMITED**
2. The Registered Office of the Company will be situated on the mainland of the United Republic of Tanzania.
3. The purpose for which the Company is established is the transaction of any and all lawful business for which companies may be incorporated in Tanzania; and more particularly the Company shall have powers:-
  - (a) (i) To purchase, take on lease or in exchange, or acquire by mining set or licence, concession, grant, or otherwise, any lands, mines mineral rights, buildings, easements, rights and privileges, machinery, plant, and other effects whatsoever in the United Republic of Tanzania, which the company may from time to time think proper to be acquired for any of its purposes.
  - (ii) To work the mines and mining rights under or upon the lands and properties to be acquired by the company, and to crush, wash, smelt, reduce, or otherwise treat and render marketable and sell or dispose of the produce of any mines, whether belonging to the company or not.
  - (iii) To carry out drilling excavating, earth-boring, extraction and erection of buildings and works in the process of prospecting, mining, smelting and refining minerals.
  - (iv) To provide advisory and consultancy services on all aspects of all mineral resources development from exploration through mining processing to marketing.
  - (v) To search for ores, minerals, and hydrocarbons and to apply for licenses for mining, prospecting drilling in or over any lands which may be

acquired by the company and to lease any such lands for building or for agricultural use and to sell or otherwise dispose of the lands, mines or other property of the company.

- (vi) To excavate and extract and submit to any refinement process or manufacture, to prepare for market and to generally carry on the business of prospecting, mining, smelting and refining.
  - (vii) To manufacture, buy, sell and generally deal in any plant, machinery equipment tools goods or things of any description which in the opinion of the company may be conveniently dealt with by the company in connection with any of its objects.
  - (viii) To undertake all or any of the businesses of selling building/construction materials which derive from minerals and/or rocks.
- (b) To carry on any other trade or business whatever which in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.
  - (c) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
  - (d) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Republic of Tanzania or elsewhere any patents, patent rights, brevets invention, licences, secret processes, trademarks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
  - (e) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidizing or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or

property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

- (f) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (g) To invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (h) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and surety ships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (i) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (j) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (k) To apply for, promote, and obtain any licence of authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

- (l) To enter into any arrangements with any government authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (m) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (n) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (o) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (p) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (q) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (r) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.

- (g) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (h) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- (i) To distribute among the members of the Company in kind any property of the Company of whatever nature.
- (j) To procure the Company to be registered or recognised in any part of the world.
- (k) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- (l) To do all such other things as may be deemed incidental or conducive to the attainment of the company's objects or any of them.
- (m) To carry out tourism business and to provide and construct refreshment rooms

and to carry on the business of catering and restaurant owners.

- (bb) To sell, lease, let, mortgage or otherwise dispose of the lands, houses, buildings, and other property of the company.
- (cc) To undertake or direct the management of the property, buildings, lands and estates (of any tenure or kind) of any persons, whether members of the company or not, in the capacity of stewards or receivers or otherwise.
- (dd) To carry on the business of real estate, developers, general contractors, traders investors, and generally to do all acts and things which in the opinion of the company or the directors may conveniently or profitably, or usefully, acquired and dealt with carried on or done by the company in connection with the business aforesaid.
- (ee) To manufacture, sell, purchase, distribute, install, repair, maintain all types of alarm systems, sirens of all kinds, fire fighting equipment, fire extinguishers and other materials, fire escapes apparatus safety devices, safety belts, and harnesses, safes, locks security equipment and security devices of all kinds including radios telephone, electric wire, televisions, radar, electronic rays, and other electrical equipments flares, signal rockets, guns firearms, ammunition, explosives, steel helmets, bullets proof vests armoured glass, armoured cars, armoured plating motor vehicles, batons, swords and all other types of weapons for self-defence including knives, finger-print equipments magnifying glasses, microscopes, prefabricated garages, houses and out houses, nuclear and scientific crime detection devices, and traps cages, security clocks, watches, stop-watches and other timing devices, both mechanical and electrical fencing wire of all types, and goods required in connection with the business of the Company..
- (ff) To carry on the business of a farmers, growers, and planters in its widest sense and to cultivate and produce coffee, tea, cinchona, rubber, cocoa and coconuts, sugar, grain, rice, sisal and other fibres, tobacco, cotton, cardamon vanilla and other crop, plant product or produce of the soil and to prepare, manufacture or render marketable any such produce and for such purposes to erect and work all such mills, machinery, dams, irrigation trenches, flumes and other contrivances which may be deemed necessary, and to sell, dispose of and deal in any such produce, either in its prepared, manufactured or raw states, and either by wholesale or retail.
- (gg) To construct, erect and maintain either by the Company or other parties, sewers, roads, streets, buildings, houses, flats, shops and all other works erections and things of any description whatsoever either upon the lands acquired by the Company or upon other lands.

- (hh) To establish maintain and operate air transport services, public and private joy flights and all trips of all kinds and all ancillary services and to carry on the business of flying instructors aerial photographers, crop sprayers and all other services for which aircraft can be used and for these purposes or as independent undertakings to purchase take in exchange charter hire build construct or otherwise acquire and own work manage and trade with aircraft and all necessary and convenient equipment therefor engines gear furniture and stores or any shares or interest in aircraft including shares stocks or securities in companies possessed of or interested in any aircraft and to maintain, fit out, improve insure, alter, sell exchange or let out on hire purchase or charter or otherwise deal with and dispose of the aircraft equipment engines gear furniture stores shares stock and securities of the Company.
- (ii) To carry on the business of proprietors manufacturers and hirers of vehicles of all kinds whatsoever propelled and whether for use on land water or in the air including motor omnibuses, motorcars, motor vans, motor Lorries, carts, motor cycles and aircraft of every description.
- (jj) To carry on the business of garage proprietors dealers in repairers, cleaners, stores and warehouses of omnibuses, cars, vans, lorries and cycles, aircraft, tractors and trailers road making and repairing.
- (kk) To give instructions in all aviation matters and the use of any of the machines connected therewith and to provide all and any facilities for such instructions, training of pilots, engineers, air traffic controllers, navigators, transport economists, ground and other crew and all other personnel connected with or who are deemed necessary for the carrying on of the business authorised by the Memorandum of Association of the Company.


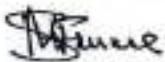
AND so that:

- (i) None of the objects set forth in any sub-clause of this clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this clause, or by reference to or inference from the name of the Company.
- (ii) None of the sub-clauses of this clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full

a power to exercise each and every one of the objects specified in each sub-clause of this clause as though each such sub-clause contained the objects of a separate Company.

(iii) The word 'Company' in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Republic of Tanzania or elsewhere.

5. The liability of the members is limited.
6. The Company's share capital is TShs. 1,000,000,000/= divided into 10,000 Ordinary shares of TShs.100,000/= each.
7. WE, the undersigned whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Post Address and Occupation of Subscriber.	Number of Shares taken by each Subscriber.	Signatures of Subscribers.
MACHUNDE ELIASAPH SOSPETER P.O BOX 35116 DAR ES SALAAM	9,950	
SHIGEMO MFAUME OMARY P.O. BOX 784 TABORA	50	

Dated this 6<sup>th</sup> day of June, 2014

WITNESS to the above signatures:

Signature: 

Postal Address: Box 75087  
DAR ES SALAAM

Qualification: ADVOCATE





Standards and pronouncements issued by the Accountancy Standards Committee of the National Board of Accountants and Auditors ("NBAA") or where there are none in accordance with generally accepted accounting principles and practice of the Company and giving a true and fair view of the assets and liabilities of the Company and its subsidiary undertakings as at the end of the financial year or period (as the case may be) in question and of their profit or loss for such year or period;

"Accountant"	a person registered as a Certified Public Accountant with NBAA;
"the Articles"	these Articles of Association as from time to time amended;
"Auditors"	the Auditors for the time being of the Company;
"the Board"	the Board of Directors of the Company from time to time (including any duly appointed committee thereof);
"Company"	MACHUNDE INVESTMENT COMPANY LIMITED;
"Dividend"	the payment made out of the profits to the Shareholders of the Company including any distribution of assets of the Company;
"Clear Days"	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Director"	a Director or alternate Director for the time being of the

	Company;
"Executed"	includes any mode of execution;
"Office"	the registered Office of the Company;
"Act"	the Companies Act, (Chapter 212) of the laws of Mainland Tanzania (including any statutory modifications or re-enactments thereof for the time being in force);
"Paid-up"	include credited as paid up;
"the Register"	the Register of Shareholders of the Company;
"the Seal"	the common seal of the Company;
"Secretary"	the Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a joint assistant or deputy Secretary;
"Shareholder" or "the Holder"	in relation to Shares means the person whose name is first entered in the Register as the Holder of the Shares;
"Shares"	any shares of all classes for the time being in the capital of the Company;
"Shareholders Agreement"	the Agreement dated _____ between _____, [_____] and the Company;
"Table A"	Table A in the First Schedule to the Act;
"Tanzania"	means the United Republic of Tanzania.

(2) In the Articles unless the context requires otherwise:

- (a) expressions referring to writing shall be construed as including references to typewriting, printing, lithography, photography, and other modes of representing or reproducing words in a visible form;
- (b) any reference to a statutory provision or enactment shall include any statutory modification or re-enactment thereof;
- (c) any reference to a "person" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having legal personality);
- (d) words and expressions defined in the Act as existing on the date of incorporation of the Company shall, unless the context or the subject otherwise requires bear the same meaning in the Articles;
- (e) a "Special" or "Extraordinary" resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under the Act or the Articles and a Special Resolution shall be effective for any purpose for which an Extraordinary Resolution is so expressed to be required;
- (f) the headings are inserted for purpose of convenience only and shall not affect the construction of the Articles; and
- (g) words importing the masculine gender only shall include the feminine gender.

#### **Private Company**

- 3. The Company is a private company and accordingly:
  - (a) any invitation to the public to subscribe for any Shares or debentures of the Company is prohibited;
  - (b) the right to transfer Shares is restricted;
  - (c) the number of Shareholders of the Company (exclusive of persons in employment with the Company) is limited to 50, provided that where two or more persons hold Share(s) jointly, they shall be treated as one person; and
  - (d) the Company shall not issue Share warrants to bearers.

#### **Share Capital**

- 4. The authorised share capital of the Company at the date of adoption of the Articles is Tanzanian Shillings One Billion (TShs.1, 000,000,000.00) divided into 10,000 ordinary Shares of TShs.100, 000 each.
- 5. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such

preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return or capital or otherwise as the Company may from time to time by Ordinary Resolution determine.

6. Subject to the provisions of Section 47 of the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the opinion of the Company are liable to be, redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.
7. The Company may exercise the powers of paying commissions conferred by the Act to the full extent permitted. Such commissions may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also on any issue of Shares pay such brokerage as may be lawful.
8. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety thereof in the Holder.
9. Subject to the provisions of the Act the Company may purchase its own (including any redeemable) Shares. Neither the Company nor the Board shall be required to select the Shares to be purchased rateably or in any other particular manner as between the Holders of Shares of the same class or as between them and the Holders of Shares of any other class or in accordance with the rights as to Dividends or capital conferred by any class of Shares.
10. If at any time the share capital is divided into different classes of Shares, the right attached to any class may, subject to the provisions of the Act (whether or not the Company is being wound up), be varied or abrogated with the consent in writing of the Holders of three fourths in nominal value of the issued Shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate general meeting of the Holders of the Shares of the class. To every such separate general meeting all provisions of the Articles relating to general meetings of the Company shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at

least holding or representing by proxy at least one-third in nominal value of the issued Shares of the class (but so that any adjourned meeting any Holder of Shares of the class present in person or by proxy shall be a quorum) and that any Holder of Shares of the class present in person or by proxy may demand a poll and that every such Holder shall on a poll have one vote for every Share of the class held by him. The foregoing provisions of these Articles shall apply to the variation or abrogation of the special rights attached to some of the Shares of any class as if each group of Shares of the class differently treated formed a separate class, and their special rights were to be varied.

11. Unless otherwise expressly provided by the terms of issue of the Shares of that class or by the terms upon which such Shares are for the time being held the rights attached to any class of Shares shall be deemed to be varied by the allotment of further Shares ranking in priority to them for payment of a Dividend or repayment of capital but shall be deemed not to be modified, abrogated or varied by the creation or issue of further Shares ranking *pari passu* with or subsequent to those already issued or by the purchase or redemption by the Company of its own Shares.

#### Share Certificates

12. Every person whose name is entered as a Shareholder in the Register shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his Shares or several certificates each for one or more of his Shares upon payment of TShs.2, 000.00 for every certificate after the first or such less sum as the Directors shall from time to time determine. Every certificate shall be under the Seal and shall specify the Shares to which it relates and the amount Paid-up thereon. Provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint Holders shall be sufficient delivery to all such Holders.
13. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase of subscription made or to be made by any

person of or for any Shares in the Company or in its holding Company nor shall the Company make a loan for any purpose whatsoever on the security of its Shares or those of its holding Company, but nothing in this Article shall prohibit transactions mentioned in the proviso to section 46(1) of the Act.

14. If a Share certificate be defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of out of pocket expenses reasonably incurred by the Company in investigating evidence as the Board may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.
15. Nothing in these Articles shall require title to any Shares or other securities of the Company to be evidenced or transferred by a written instrument if any rules or regulations from time to time made under the Act so permit. The Board shall have power to adopt and implement any arrangements as they may think fit for recording and transferring title to Shares or other securities which accord with those rules and regulations. References in these Articles to certificates for Shares and instruments of transfer shall be construed accordingly.
16. Nothing in the Articles shall require the Company to issue under the Seal any certificate or other instrument other than a Share certificate, which is not by law required to be so issued.

#### **Calls on Shares and Forfeiture**

17. Subject to the terms of allotment, the Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Shareholder shall (subject to receiving at least fourteen Clear Days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due there under, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for

calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

18. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
19. The joint Holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
20. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Board may waive payment of the interest wholly or in part.
21. An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
22. Subject to the terms of allotment, the Board may on the issuance of Shares, differentiate between the Holders as to the amount of calls to be paid and the times of payment.
23. If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen Clear Days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
24. If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the

Board and the forfeiture shall include all Dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

25. Subject to the provisions of the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determines either to the person who was before the forfeiture the Holder or to any other person and at any time before the sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of the Share to that person.
26. A person any of whose Shares have been forfeited shall cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the Board may with payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
27. A statutory declaration by a Director or the Secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the Share.

#### **Lien**

28. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) called or payable at a fixed time

in respect of that Share, and the Company shall also have a first and paramount lien on all Shares (other than fully paid Shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare and Share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a Share shall extend to all Dividends payable thereon.

29. The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered Holder for the time being of the Share, or the person entitled thereto by reason of his death or bankruptcy.
30. To give effect to any such sale the Board may authorise some person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the Holder of the Shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
31. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares, at the date of the sale.

#### **Transfer of Shares**

32. Subject to Article 12 all transfers of Shares shall be in writing in any common form or any other form acceptable to the Board and shall be signed by or on behalf of the transferor and (except in the case of fully paid Shares) by or on behalf of the transferee. The transferor shall be deemed to remain the Holder of the Shares until the name of the transferee is entered in the Register in respect thereof.

33. Subject to such of the restrictions of these Articles as may be applicable, any Shareholder may transfer all or any of his Shares by instrument in writing in any usual or common form or any other form which the Board may approve.
34. The Board may in their absolute direction and without assigning any reason therefor refuse to register any transfer of any Share:
- (a) which is not a fully paid Share; or
  - (b) which is in favour of more than four transferees; or
  - (c) Unless the instrument of transfer is duly stamped and lodged at the Office (or such other place as the Board may from time to time determine) to be registered accompanied:
    - (i) by a certificate of the Share to which it relates and
    - (ii) by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and,
    - (iii) (if the instrument of transfer is Executed by some other person on his behalf) by the authority of the person to do so; or
  - (d) unless the instrument of transfer is in respect of only one class of Share; or
  - (e) which is in favour of a minor, infant, bankrupt or person of unsound mind; or
  - (f) on which the Company has a lien pursuant to the Articles.
35. If the Board refuse to register a transfer of a Share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
36. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriages or death or stop notice or power of attorney or other document relating to or affecting the title to any Shares or otherwise for making any entry in the Register affecting the title to any Shares.

37. The Company shall be entitled to retain any instrument of transfer, which is registered, but any instrument of transfer, which the Directors refuse to register, shall be returned to the person lodging it when notice of the refusal is given.
38. The registration of transfers may be suspended at such times and for such periods as Board may from time to time determine and either generally or in respect of any class of Shares provided always that such registration shall not be suspended for more than 30 days in any year.
39. The Company shall be entitled to destroy:
- (a) any instrument of transfer which has been registered at any time after the expiration of six years from the date of registration thereof;
  - (b) any Dividend mandate or any variation or cancellation thereof or any notification of change of address at any time after the expiration of two years from the date of recording thereof;
  - (c) any Share certificate which has been cancelled at any time after the expiration of one year from the date of such cancellation; and
  - (d) any other document on the basis of which any entry in the Register is made at any time after the expiration of six years from the date an entry in the Register was first made in respect thereof,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of the instrument of transfer or other document so destroyed and duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every Share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed pursuant to the Article was a valid and effective document in accordance with the record particulars whereof in the books or records of the Company; Provided always that:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to any claim;

- (i) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (l) above are not fulfilled; and
  - (ii) references in this Article to the destruction of any document include references to its disposal in any manner.
40. The Board may at any time after the allotment of any Share but before any person has been entered in the Register as the Holder recognise renunciation thereof by the allottee in favour or some other person and may accord to any allottee of a Share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.

#### **Transmission of Shares**

41. In case of the death of a Shareholder, the survivors or survivor where the deceased was a joint Holder, and the legal personal representatives of the deceased where he was a sole or only surviving Holder, shall be the only person or persons recognised by the Company as having any title to or interest in the Shares, but nothing in this Articles and release the estate of a deceased Holder (whether sole or joint) from any liability in respect of any Share held by him.
42. Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder or of any other event giving rise by operation of law to such entitlement may (subject as herein provided) upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share either be registered himself as Holder of the Share upon giving to the Company notice in writing of his desire to be so registered or transfer such Share to some other person by executing a transfer of the Share to the person. All the limitations, instructions and provisions of the Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the

Shareholder or other even as aforesaid had not occurred and the notice of transfer were a transfer Executed by such Shareholder.

43. A person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder or other event giving rise by operation of law to such entitlement shall, upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share, be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered Holder of the Share, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred to Shareholders in relation to meetings of the Company.

Provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 days the Board may thereafter withhold payment of all Dividends, bonuses or other moneys payable in respect of the Share until the requirements of the notice have been complied with.

#### Conversion of Shares

44. The Company may by Ordinary Resolution convert any Paid-up Shares into stock and reconvert any stock into Paid-up Shares of any denomination. After the passing of any resolution converting all the full Paid-up Shares of any class in the capital of the Company into stock, any Shares of the class which subsequently become fully Paid-up rank *pari passu* in all other respects with such Shares shall, if so provided in such resolution and by virtue thereof and of this Article be converted into stock transferable in the same units as the Shares already converted.
45. The Holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the Shares from which the stock arose might previously conversion have been transferred, or as near thereto as circumstances admit; and the Board may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

46. The Holders of stock shall, according to the amount of stock held by them, have the same rights privileges and advantages as regards Dividends, voting at meetings of the Company and other matters as if they held the Shares from which the stock arose, but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
47. Such of the Articles of the Company as are applicable to Paid-up Shares shall apply to stock, and the words "Share" and "Shareholder" therein shall include "stock" and "stockholder".

#### Alteration of Capital

48. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such amount, as the resolution shall prescribe.
49. Subject to any direction to the contrary that may be given by the Company in general meeting, all new Shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares to which they are entitled. The offer shall be made by notice specifying the number of Shares offered, and limiting a time, within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares offered, the Board may dispose of those Shares in such manner as it thinks most beneficial to the Company. The Board may likewise so dispose of any new Shares which (by reason of the ratio which the new Shares bear to Shares held by persons entitled to an offer of new Shares) cannot, in the opinion of the Board be conveniently offered under this Article.
50. The new Shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.

51. The Company may by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
  - (b) sub-divide its existing Shares, or any of them, into Shares of smaller amount than is fixed by the memorandum of association subject, nevertheless, to the provisions of section 51(1)(d) of the Act;
  - (c) cancel any Shares, which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
52. The Company may, by special resolution, reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorised, and consent require.
53. The new Shares shall be subject to all the provisions of the Articles with reference to lien, the payment of calls, forfeiture, transfer, and transmission or otherwise.
54. Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Board may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, to the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Board may authorise some person to Execute an instrument of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

#### **General meetings**

55. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Board shall appoint.

56. All general meetings other than annual general meetings shall be called extraordinary general meetings.
57. The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 114 of the Act. If at any time there are not within Tanzania sufficient Board members capable of acting to form a quorum, any Director or any two Shareholders of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

#### Notice of Meetings

58. An Annual general meeting and a meeting called for the passing of a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by not less than 21 days' notice in writing, and any other meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Board, to such persons as are under the Articles, entitled to receive such notices from the Company. In the case of any general meeting at which special business is to be transacted the notice shall specify the general nature of such business. A notice convening a meeting, at which any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, shall contain a statement to that effect. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual general meeting by all the Shareholders entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the Shares giving that right.

59. (1) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead and that a proxy need not be a Shareholder.

(2) The accidental omission to give notice of a meeting or form of proxy to or the non-receipt of notice of a meeting or form of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

60. (1) Subject to any restrictions contained in the Act or in any other of the Articles, every Shareholder shall be entitled to attend a general meeting, in person or by proxy. This entitlement shall be subject to any arrangements referred to in the remainder of this Articles, provided that where the meeting is to be held at more than one place, the arrangements shall operate so that any Shareholders or proxies prevented or excluded from attending at one place are permitted to attend and participate at one of such other places.

(2) In accordance with Paragraph (1) above, the Board may make such arrangements, as they shall in their absolute discretion consider being appropriate, for any of the following purposes:

(a) to regulate the level of attendance at any place specified for the holding of a general meeting or any adjournment of such a meeting, or to ensure the salary of people attending at any such place; or

- (b) to facilitate attendance at such meeting or adjournment;
- (3) In the case of any meeting to which such arrangements apply the Board may when specifying the place of the general meeting:
  - (a) direct that the meeting shall be held at a place specified in the notice at which he Chairman of the meeting shall preside ("Main Meeting Place"); and
  - (b) make arrangements for simultaneous attendance and participation at other places by Shareholders and proxies otherwise entitled to attend the general meeting but excluded from it under the provisions of this Article or who wish to attend at any of such other places.
- (4) Such arrangements for simultaneous attendance may include arrangements for regulating the level of attendance in the manner aforesaid at any of such other places, subject to the provisions of Paragraph (1) above.
- (5) For the purposes of all other provisions of those Articles (unless the context requires otherwise) the Shareholders shall be deemed to be moving in one place, which shall be the Main Meeting Place.
- (6) If the Board in their absolute discretion consider that it is impractical or undesirable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting they may postpone the meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in Tanzania. Notice of the business to be transacted at such postponed meeting shall not be required. The arrangements referred to in the Article shall apply to the postponed meeting.
- (7) The Board may require Shareholders or proxies seeking attendance at any general meeting to submit to such searches or other security arrangements, as the

Board considers appropriate. The Board shall be entitled, in their absolute discretion and notwithstanding the provisions of Article 64(A), to refuse entry to, or eject from, a general meeting any Shareholder or proxy who does not submit to such searches or comply with such security arrangements.

61. All business transacted at general meetings of the Company shall be deemed special business other than the following business if transacted at an Annual general meeting, namely:
- (a) declaring a Dividend;
  - (b) the consideration of the Accounts, balance sheets and the reports of the Directors and the Auditors; the election of Directors in place of those retiring (by rotation or otherwise); and
  - (c) the appointment of, and the fixing the remuneration of, the Auditor or the manner in which such remuneration is to be fixed.

#### **Proceedings at general meetings**

62. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business but the absence of a quorum shall not preclude the appointment, or election of a chairman, which shall not be treated as part of the business of the meeting. Save as herein otherwise provided, three Shareholders present in person or by proxy and entitled to vote shall be a quorum.
63. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day at such other time and place as the Board may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall be a quorum.

64. The chairman if any, or in his absence the deputy chairman, if any, of the Board shall preside as chairman at every general meeting of the Company, or if there is no such chairman or deputy chairman, or if neither of them shall be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act the Directors present shall elect one of their number to be chairman of the meeting.
65. If at any meeting no Director is willing to act as chairman or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Shareholders present whether in person or by proxy shall choose one of their number to be chairman of the meeting.
66. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
67. (2) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (a) by the chairman of the meeting; or
  - (b) by at least three Shareholders present in person or by proxy and entitled to vote; or
  - (c) by any Shareholder or Shareholders present in person or by proxy and representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

(d) by a Shareholder or Shareholders present in person or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid upon on all the Shares conferring that right.

(2) Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(3) The demand for a poll may be withdrawn at any time before the close of the meeting or the taking of the poll whichever is earlier.

68. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting shall direct and any business other than that upon which a poll has been demanded may be preceded pending the taking of the poll.
69. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may appoint scrutinizers and may adjourn the meeting to some place and time affixed by him for the purpose of declaring the result of the poll, or may declare the result, or arrange to have it declared, in such manner as he shall think fit.
70. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.

## Votes of Shareholders

71. Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a Shareholder entitled to vote, shall have one vote, and on a poll every Shareholder shall have one vote for each Share of which he is the Holder.
72. In the case of joint Holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders; and for this purpose seniority shall be determined by the order in which the names of the Holders stand in the Register.
73. A Shareholder in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Act, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.
74. No Shareholder shall be entitled to vote at any general meeting or at any separate meeting of the Holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all calls or other sum presently payable by him in respect of Shares in the Company have been paid.
75. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
76. On a poll votes may be given either personally or by proxy
77. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either

under Seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder of the Company.

78. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

**MACHUNDE INVESTMENT COMPANY LIMITED**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Shareholder/Shareholders of the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us/ on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 20\_\_

79. Where it is desired to afford Shareholders an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

**MACHUNDE INVESTMENT COMPANY LIMITED**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Shareholder/Shareholders of the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ as my/our proxy to vote for me/us/ on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

80. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.

81. An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority or in the case of a power of attorney, a certified copy thereof, shall be deposited at the Office or at such other place within Mainland Tanzania as is specified for that purpose in or by any of a note to the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to that meeting not less than 48 hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used and in default, the instrument of proxy shall not be treated as valid. When two or more valid but different instruments of proxy are delivered in respect of the same Share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other as regards that Share. If the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that Share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.
82. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. An instrument of proxy expressed to relate to more than one meeting having once been delivered pursuant to the Articles for the purposes of any meeting shall not acquire again to be delivered for the purpose of any subsequent meeting to which it relates. No instrument of proxy shall be valid after the expiration of 12 months from the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within 12 months from that date.
83. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy was Executed provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or such other place (if any) as is specified for depositing the instrument of proxy not later than the last time at which an

instrument of proxy should have been delivered in order to be valid for use at the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) 24 hours before the time appointed for the holding of a poll at which such vote is given.

84. Subject to the provisions of the Act, a resolution in writing signed by or on behalf of all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held, and may consist of two or more documents in like form each signed by or on behalf of one or more of the Shareholders.

#### **Corporations Acting by Representatives at Meetings**

85. Any corporation which is a Shareholder of the Company may by resolution of its Board or other governing body or, by authority given under seal or under the hand of an officer duly authorised by it, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of Shareholders in respect of its entire holding or any part or parts thereof. A person so authorised pursuant to the foregoing provisions of the Article shall be entitled to exercise the same powers on behalf of the corporation which he represents in respect of that part of such corporation's holding to which his authorisation relates as that corporation could exercise it if were an individual Shareholder with such a holding.

#### **Number of Directors**

86. (a) Subject to Article 91 the number of Directors shall be not less than two and not more than seven.  
(b) The first Directors of this Company shall be:

1. **MACHUNDE ELIASAPH SOSPETER**
2. **SHIGEMO MFAUME OMARY**

87. A Director who is not a Shareholder shall nevertheless be entitled to receive notice of and attend and speak at all general meetings of the Company and all separate general meetings of the Holders of any class of Shares in the capital of the Company.

#### **Alternate Directors**

88. Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.
89. An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointer is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director.
90. An alternate Director shall cease to be an alternate Director if his appointer ceases to be a Director; but, if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
91. Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
92. Save as otherwise provided in the articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

### **Powers and Duties of Directors**

93. The business of the Company shall be managed by the Board, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act and to such regulations, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if the regulation had not been made.
94. The Board may from time to time and at any time by power of attorney appoint any Company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
95. The Company may exercise the powers conferred by section 33 of the Act with regard to having an official Seal for use abroad, and such powers shall be vested in the Board.
96. The Company may exercise the powers conferred upon the Company by sections 100 to 103 (both inclusive) of the Act with regard to the keeping of a branch register, and the Directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit respecting the keeping of any such register.
97. (1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with section 150 of the Act.

- (2) A Director shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to:
- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
  - (b) to any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
  - (c) any contract by a Director to subscribe for or underwrite Shares or debentures of the Company; or
  - (d) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as Holder of Shares or other securities, and these prohibitions may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Company in general meeting.
- (3) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

- (4) A Director, notwithstanding his interest, may be counted in the quorum whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.
- (5) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director:

**PROVIDED** that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

98. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise Executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
99. The Directors shall cause minutes to be made in books provided for the purposes:
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors, and every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.
100. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## Board Reserved Matters

101. (1) Subject to Article 107, the company, without limiting the Board's authority in respect of any other matter, shall not, except with the prior consent of the minority shareholder:
- (a) enter into any transaction involving the acquisition or disposal of any asset with a value of greater than 0.5% of the Company's issued Share Capital and Reserves as disclosed in the most recently audited annual financial statements of the Company;
    - (a) enter into any transaction involving the merger of all or part of the Business with the assets or business of any third party;
    - (b) borrow any amount which is greater than or equal to 1% of the Company's share capital;
    - (c) effect changes to the dividend policy set out in Article 134;
    - (d) appoint or dismiss any of the Company's Chief Executive Officer, or Chief Financial Officer
    - (e) plan and approve any capital or operating expenditure;
      - (a) permit the registration (upon subscription or transfer) of any person as a member of the Company other than the shareholders in respect of their initial investment and/or any permitted transferees;
  - (e) increase the amount of its authorised or issued share capital save as provided in Shareholder's Agreement, grant any option or other interest in the form of convertible securities or in any other form over or in its share capital, redeem or purchase any of its own shares or effect any other reorganization of its share capital;
  - (f) create or issue any share or loan capital or enter into any commitment with any person with respect to the issue of any loan capital;
  - (g) make any borrowing other than from its bankers in the ordinary and usual course of business and ensure that its banking facilities do not enable it to have more than T.Shs. \_\_\_\_\_ in aggregate borrowed at any one time;

- (b) pass any resolution for its winding up unless it shall have become insolvent;
- (i) engage in any business other than permitted areas of business or defray any monies other than bona fide for the purposes of or in connection with the carrying on of such businesses in designated jurisdictions;
- (j) form any subsidiary or acquire shares in any other company or participate in any partnership or joint venture incorporated or not;
- (k) close down any business operation or dispose of or dilute its interest in any of its subsidiaries for the time being;
- (l) amalgamate or merge with any other company or business undertaking;
- (m) vary in any respect its memorandum or articles of association or the rights attaching to any of its shares;
- (n) alter its name;
- (o) enter into any transaction or arrangement of any nature whatsoever with any of the Company's members or directors or any person who is associated within the meaning of section 12(3) of the Income Tax Act 1973 (or any amendment thereof) to any of its members or directors whether or not any other person shall be party to such transaction arrangement;
- (p) enter into any commitment by way of a transaction or series of related transactions including without limitation any leasing transaction which would involve the Company in the payment or receipt or consideration having an aggregate value in excess T.shs \_\_\_\_\_;
- (q) enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms;
- (r) without prejudice to any other provision of this Article;
  - (i) enter into, as lessor or as lessee, any operating lease for a duration exceeding five years or involving aggregate premium and annual rental payments in excess of T.shs \_\_\_\_\_;
  - (ii) grant any rights by licence or otherwise in or over any intellectual property owned or used by the Company;

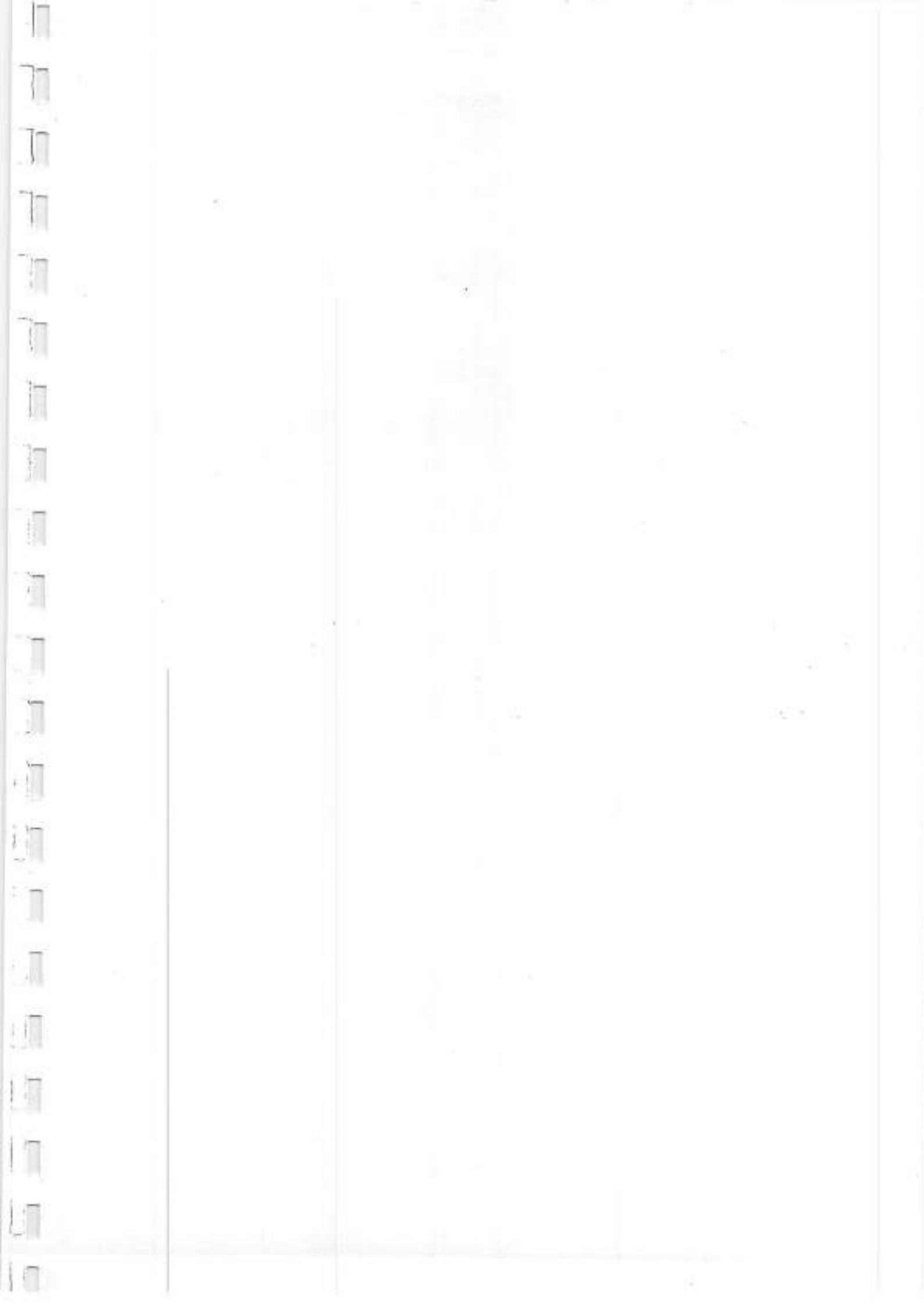
- (a) create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any material asset other than:
  - (i) liens arising in the ordinary course of business; or
  - (ii) any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business;
- (b) adopt or amend its annual Business Plan, or enter into any contract or commitment not provided for in the Business Plan under which it may incur costs in excess of Tshs \_\_\_\_\_ or which may not be fulfilled or completed within the period of one year;
- (s) change either:
  - (i) its auditors; or
  - (ii) alter its accounting reference date;
- (t) make or permit to be made any material change in the accounting policies and principles adopted by the Company in the preparation of its audited and management accounts save as may be required to ensure compliance with relevant accounting standards under Part VII of the Companies Act or any other generally accepted accounting principles.
- (u) declare or pay any dividend that exceeds in any year \_\_\_% of its post-tax distributable profits as shown by the audited accounts for that year or make any other distribution by way of capitalization, repayment or in any other manner out of its distributable profits or any of its reserves other than a dividend on the x shares/Y shares;
- (v) make any loan otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits or grant any credit other than in the normal course of trading or give any guarantee other than \_\_\_\_\_ in the normal course of trading or indemnity;
- (w) either:
  - (i) open or close any bank account; or
  - (ii) alter any mandate given to the Company's bankers relating to any matter concerning the operation of the Company's bank accounts other than by the substitution of any person nominated as a signatory by the party entitled to make such nomination;

- (x) factor or assign any of the book debts of the Company;
- (y) adopt or amend any standard terms of business including prices on which the Company is prepared to provide goods or services to third parties;
- (z) establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors or employees;
  - (a) establish or amend any pension scheme or grant any pension rights to any director, employee, former director or employee, or any member of any such person's family;
  - (b) dismiss any director, officer or employee in circumstances in which it incurs or agrees to bear redundancy or other costs in excess of \_\_\_\_\_ in total;
- (aa) agree to remunerate by payment of fees, the provision of benefits-in-kind or otherwise any officer of or consultant to the Company at a rate in excess of Tsh. \_\_\_\_\_ per annum or increase the remuneration of any such person to a rate in excess of \_\_\_\_\_ per annum;
- (bb) enter into or vary any contract of employment providing for the payment of remuneration including pension and other benefits in excess of a rate of Tshs \_\_\_\_\_ per annum or increase the remuneration of any staff including pension and other benefits to a rate in excess of Tshs \_\_\_\_\_ per annum; or
- (cc) institute, settle or compromise any material legal proceedings other than debt recovery proceedings in the ordinary course of business instituted or threatened against the Company or submit to arbitration any dispute involving the Company.

(2) Each of the shareholders and the Company shall procure that no Subsidiary takes any action which would constitute a breach of any provision in Clause 1 above as if any reference therein express or implied to the Company were construed as a reference to each Subsidiary for the time being.

102. The reserved powers of the Board set out in Article 102, are subject to:

- (a) any laws which protect the interests of minority shareholders; and



- (b) the Shareholders' Agreement not having been terminated for cause as a result of default by the Shareholder.

#### **Business Plan**

103. Subject to Article 102(1)(f), the Board shall prepare and present to the Shareholders the Business Plan on each anniversary of the Shareholders Agreement.
104. The Board shall ensure that each Business Plan prepared under Article 104 above governs the Company's business for a period of three years from the date of the relevant Business Plan.
105. The Board shall consult with the Shareholders to resolve any areas of non-agreement in respect of the Business Plan by the Board under Article 102(1)(f) above.

#### **Managing Director**

106. The Directors may from time to time appoint any one of the directors to be the Managing Director and, subject to the provisions of the Act, for such period and upon such terms as the directors thinks fit, and may vest in such Managing Director such of the powers hereby vested in the Directors generally as it may think fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions, and generally upon such terms as to remuneration and otherwise as they may determine. The remuneration of such Managing Director may be made payable by way of salary or commission or participation in profits, or by any or all of those modes or otherwise as may be thought expedient, and it may be made a term of any such appointment that he shall receive a pension, gratuity or other benefit on his retirement.
107. The Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire, but he shall, subject to the provisions of any contract between him and the Company, be subject to the same

provisions as to resignation and removal as the other Directors of the Company, and, if he ceases to hold the office of Director, he shall *ipso facto* and immediately cease to be the Managing Director.

### **Borrowing Powers**

108. Subject to Article 102(c) above the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debentures stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party:

Provided that the amount for the time being remaining undischarged of moneys borrowed or secured by the Directors as aforesaid (apart from temporary) shall not at any time, without the previous sanction of the Company in general meeting, exceed the nominal amount of the share capital of the Company for the time being issued, but nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed. No debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

### **Proceedings of Directors**

109. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit and in any event shall meet no less than every quarter. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. Two Directors giving every other director not less 28 days' notice may call a meeting of the Board other than a scheduled quarterly meeting.
110. The quorum necessary for the transaction of the business at a meeting for the Board of directors shall, unless otherwise fixed by the company in General meeting be two. A

person, who holds office only as an alternate Director shall, if his appointer is not present, be counted in the quorum.

111. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
112. The Directors may appoint one of their numbers to be the chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. But if there is no Director holding that office or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their numbers to be Chairman of the meeting.
113.
  - (1) The Board may delegate any of their powers or discretion (including without prejudice to the generality of the foregoing all powers and discretion which involves or may involve the payment of remuneration to, or the conferring of any other benefit on, all or any members of the Board) to committees consisting of one or more Directors or other persons and (if thought fit) one or more persons co-opted as hereinafter provided.
  - (2) In an order as any such power or discretion is delegated to a committee any reference in the Articles to the exercise by the Board of the power or discretion so delegated shall be read and construed as if it were a reference to the Board by such committee. Any such delegation may include authority to sub-delegate all or any of the powers or discretions delegated.
  - (3) The meetings and proceedings of any such committee or sub-committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of the Articles regulating the meetings and proceedings of the Board so far as the same are not superseded by any regulations made by the Board. Any committee or sub-committee so formed shall in the exercise of the powers or discretions so delegated conform to any regulations, which may from time to time be imposed by the Board. Any such regulations may provide for the co-option to the committee or sub-committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee or sub-committee.
  - (4) Any committee or sub-committee may be called a "Board" or "council" or any other name as the Board may determine.

114. A committee may elect a chairman of its meetings; if no such chairman is elected, or the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
115. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of any equality of votes the chairman shall have a second or casting vote.
116. Any or all of the Directors or any members of a committee or sub-committee of the Board may participate in a meeting of the Board or that committee or sub-committee by means of a conference telephone, video conferencing or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the chairman of the meeting is present.
117. If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.
118. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
119. The quorum necessary for the transaction of business of the Directors shall consist of three Directors or their duly appointed alternate Directors.
120. All business arising at any meeting of the Directors or any committee thereof shall be decided by a majority of the Directors present at the meeting and the chairman shall have no second or casting vote.
121. All acts done by any meeting of the Board or of a committee of the Board appointed under Article 119 or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were or was disqualified from holding office or had in any way vacated their or his office be as valid as if every such person had been duly appointed and was qualified to be a Director.
122. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Board, shall be as valid and effective for all purposes as if it had been passed at a meeting of the Board duly convened and held, and may consist of two or more documents in the form each signed by one or more of the Directors, and may be in any form, including facsimile transmission.

### Disqualification of Directors

The office of a Director shall be vacated in any of the following events, namely:

- (a) if he resigns by writing under his hand left at the office;
- (b) if he becomes insolvent or assigns his estate for benefit of his creditors or suspends payment or compounds with his creditors;
- (c) if he be found lunatic or becomes of unsound mind;
- (d) if he shall pursuant to the provisions of the Act be prohibited from acting as a Director.

### Secretary

123. Subject to the provisions of the Act the Secretary shall be appointed by the Board on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as they think fit one or more deputy secretaries or some person to act as temporary Secretary.
124. A provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

### Seal

125. (1) The Board shall provide for the safe custody of the Seal, which shall only be used with the authority of the Board or of a committee authorised by the Board in that behalf.
- (2) Every instrument to which the Seal shall be affixed shall be signed autographically in any of the following manners:
- (a) by one Director and the Secretary;
  - (b) by two Directors; or

(c) by a person duly authorised by the Board either generally or in relation to specific instruments or instruments of specific descriptions.

(3) Notwithstanding the provisions of Paragraph (2) the Board may resolve to dispense with autographic signatures of all or any person referred to in that paragraph in relation to specific instruments or instruments of specific descriptions, and in substitution therefor to authorise signatures to be affixed by some method or system of mechanical signature approved by the Board.

(4) Notwithstanding the provisions of Paragraph (2) of this Article and without prejudice to Paragraph (3) of this Article the Board may resolve in the case of any certificates for Shares or debentures or other securities of the Company, to dispense with any or all of the signatures referred to in Paragraph (2) of this Article.

(5) Notwithstanding the provisions of Article 114 a committee authorised by the Board for the purposes of Paragraph (1) of this Article may consist entirely of one or more persons other than Directors.

#### **Authentication of Documents**

126. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board or any committee, and any books, records, documents and Accounts relating to the business of the Company and to certify copies thereof or extracts there from as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company, the Board, or any committee, or any local or area Board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## Reserves

127. Subject to the Act the Board may, before recommending any Dividend, whether preferential or otherwise, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such manner as the Board think fit. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits.

## Dividends

128. Subject as hereinafter provided, the Company by Ordinary Resolution may declare Dividends in accordance with the respective rights and priorities of Shareholders, but no Dividend shall exceed the amount recommended by the Board.
129. The Board may from time to time declare and pay to the Shareholders such interim Dividends, and such fixed or other Dividends payable upon any preference or other Shares at stated times, as appear to the Board to be justified by the position of the Company.
130. Unless and to the extent that the rights attracted to any Shares or the terms of issue thereof otherwise provide, all Dividends shall (as regards any Shares not fully paid throughout the period in respect of which the Dividend is paid) be apportioned and paid pro rata according to the amounts paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid. For the purposes of this Article no amount paid on a Share in advance of calls shall be treated as paid on the Share.

132. The Board may deduct from any Dividend or other moneys payable to any in respect of a Share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to Shares of the Company.
133. Subject to the provisions of the Act where any asset, business or property is acquired by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses arising there from as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any Shares or securities are purchased cum Dividend or interest, such Dividends or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
134. Any general meeting declaring a Dividend or bonus may upon the recommendation of the Board by Ordinary Resolution direct payment of a Dividend or bonus in whole or in part by the distribution of specific assets (and in particular of Paid-up Shares or debentures of any other Company or in any one or more of such ways) and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as they think expedient and in particular may issue fractional certificates and for the value for distribution of such specific assets or any part thereon and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.
135. The Company may pay any Dividend, interest or other moneys payable in cash in respect of Shares by direct debit, bank transfer, cheque or Dividend warrant and may remit the same directed to the registered address of the Shareholder or person entitled thereto or, in the case of joint Holders, to the registered address of the joint Holder whose name stands first in the Register, or, in the case of two or more persons being entitled to a Dividend, interest or other money in consequence of the death or bankruptcy or mental disorder of the Holder or by operation of law or any other event, to any one of such persons, or to such person and to such address as the Holder or joint Holders or such other person may in writing direct, in the case of a Shareholder who is also an employee

of the Company or any of its subsidiaries, the Company may remit any Dividend, interest or other moneys as aforesaid to such Shareholder through the Company's internal postal arrangements. The Company shall not be responsible for any loss of any such cheque or warrant. Every such cheque or warrant shall be made payable to the order of the person to whom it is payable, or to such person as the Holder or joint Holders or other person entitled thereto may in writing direct, and the payment of such cheque or warrant shall be a good discharge to the Company. Any one of two or more joint Holders or persons entitled to a Dividend, interest or other moneys in consequence of the death, bankruptcy or mental disorder of the Holder or by operation of law or any other event may give effective receipts for any Dividends, interest or other moneys payable in respect of the Share held by him as joint Holder or to which he is jointly entitled as aforesaid.

136. The Board may but shall not be obliged to retain the Dividends payable upon Shares in respect of which any person is under the provisions as to the transmission of Shares hereinbefore contained entitled to become a Shareholder, or which any person is under those provisions entitled to transfer, until such person shall become a Shareholder in respect of such Shares or shall transfer the same.
137. The waiver in whole or in part of any Dividend on any Share by any document (whether or not under seal) shall be effective only if such document is signed by the Holder thereof (or the person becoming entitled to the Share in consequence of the death, bankruptcy or mental disorder of the Holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
138. No Dividend or interim Dividend shall be paid otherwise than in accordance with the provisions of the Act which apply to the Company.
139. No Dividend or other moneys payable on or in respect of a Share shall bear interest against the Company.
140. (1) The Board may, if authorised by an Ordinary Resolution and subject to the remaining provisions of the Article, operate a plan or plans for the benefit of

the Holders of Shares of the Company under which the Board may give such Holders one or more of the following options, in such manner as the Board may think fit, namely:

- (a) in lieu of receiving any Dividend (or, in the absolute discretion of the Board, any part thereof) declared or payable on all (or, in the absolute discretion of the Board, any part) of the Shares held by them from time to time, to elect to receive additional Shares credited as fully paid, on the terms and conditions of any such plan; or
- (b) instead of accepting the net cash amount due to them in respect of any Dividend (or, in the absolute discretion of the Board, any part thereof) declared or payable on all or, in the absolute discretion of the Board, any of the Shares held by them or in their name from time to time, to elect to invest such cash in subscribing for unissued Shares in the capital of the Company payable in full or by instalments, or in paying up in full or by instalments any partly paid or unpaid Shares issued by the Company and held by them from time to time, on the terms and conditions of any such plan; or
- (c) any other option in respect of the whole or any part of any Dividend on all or any Shares held by them as the Board may in their absolute discretion determine.

(2) In respect of any such plan the following provisions shall apply:

- (a) the authority contained in the said Ordinary Resolution for such plan may be in respect of a particular Dividend, or any part thereof, or in respect of all or any Dividends, or any part thereof, declared or payable within a specified period, but such period may not end later than the conclusion of the fifth annual general meeting following the date of the meeting at which the Ordinary Resolution is passed. The plan to which the

authority relates may, in the absolute discretion of the Board, remain in force until the authority expires and is not renewed;

- (b) the Board shall determine the basis of allotment of new Shares so that, as nearly as may be considered convenient, the relevant value of the entitlement shall be equal to the cash amount (disregarding any tax credit) of the Dividend the Holder of such Shares foregoes. For this purpose the "relevant value" shall be calculated by reference to the average of the middle market quotation on the Dar es Salaam Stock Exchange, as shown in the daily official list, on each of the first five dealing days on which the Shares are quoted ex the relevant Dividend, or in such other manner as may be determined by or in accordance with the Ordinary Resolution. A certificate or report by the Auditor as to the amount of the relevant value in respect of any Dividend shall be conclusive evidence of that amount;
- (c) the Board shall give notice in writing to the Holders of Shares of the terms and conditions of any such plan and shall send with or following such notice forms of election so that they may exercise the rights granted;
- (d) the Board may determine that an election by a Shareholder must be specified to be a continuous mandate and need not be renewed annually or otherwise, and shall take effect until the mandate is revoked in accordance with any procedure decided upon from time to time by the Board;
- (e) for the purpose of any such plan the Board may capitalise out of such of the sums standing to the credit of any of the Company's reserves (including any Share premium account, capital redemption reserve fund or any other undistributable reserve) or any of the profits which could have been applied in paying Dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of additional Shares to be allotted on such basis and apply the same in paying up in full

the appropriate number of unissued Shares for allotment and distribution to and amongst the Holders of Shares entitled to the same;

- (f) the Board may do all acts and things considered necessary or expedient to give effect to any such plan (including, without limitation any such capitalisation) with full power to the Board to make such provisions as they think fit in respect of fractions, including provisions whereby, in whole or in part, fractional entitlements are paid in cash or are disregarded and/or rounded up and/or the benefit of fractional entitlements, in whole or in part, accrues to the Company rather than to the Shareholders concerned and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any Shareholder and such accruals or retentions are applied to the allotment, by way of bonus to or cash subscription on behalf of such Shareholder, of fully Paid-up Shares. The Board may authorise any person to enter on behalf of all the Shareholders interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned;
- (g) the additional Shares so allotted shall rank *pari passu* in all respects with the fully paid Shares then in issue save only as regards participation in the relevant Dividend in respect of which the Shares have been issued (or Share election in lieu);
- (h) the Board may in their absolute discretion on any occasion determine that rights of election shall not be made available to any Holders of Shares resident in or with registered addresses within or beyond any specified territories or jurisdictions or to any Holders of Shares in respect of which the Board believes, in their absolute discretion, that it would be impractical or unduly onerous to make rights of election available or that for any other reason such rights should not be made available, and in any

such event the provisions aforesaid shall be read and construed subject to such determination.

- (3) The power conferred under this Article and by any authority given by the Shareholders shall not be exercised unless the Company shall then have, in order to give effect to the terms of any such plan:
  - (a) sufficient unissued Shares capable of being issued as Shares; and
  - (b) if any Shares are to be allotted other than for cash, suspend or terminate any such plan, which is in operation, notwithstanding that there may be elections outstanding pursuant to such plan.
- (4) The Board may, in their absolute discretion, suspend or terminate any such plan which is in operation, notwithstanding that there may be elections outstanding pursuant to such plan.
- (5) Any communication by the Board to the Shareholders concerning any such plan, or any amendment thereto, (including the notices referred to in this Article) may be by advertisement published in accordance with Article 154(3).

141. All Dividends, interest or other sums payable unclaimed after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All Dividends or interest unclaimed for a period of twelve years after having been declared shall, unless the Board otherwise resolves, be forfeited and shall revert to the Company. The retention by the Company of, or payment into a separate account of, any unclaimed Dividend, interest or other sum payable by the Company on or in respect of any Share shall not constitute the Company a trustee thereof.

#### Capitalization of Profits

12. (1) The Company may, upon the recommendation of the Board, at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the

credit of any share premium account or any capital redemption reserve and accordingly that such amount be set free for distribution among the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of Dividend and in the same proportion, on the footing that the same be not paid in cash but applied either in or towards paying up the amounts for the time being be paid on any Shares in the Company held by such Shareholders respectively or in payment up in full of unissued Shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Shareholders, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve may be applied only in the paying up of unissued Shares to be allotted to such Shareholders credited as fully paid.

- (2) The Company may, upon the recommendation of the Board, at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in the paying up in full of unissued Shares to be allotted as fully paid Shares by way of capitalisation to the Shareholders or any class of Shareholders who would have been entitled to that sum if it were distributed by way of Dividend, and in the same proportions, and the Board shall give effect to such resolution.
- (3) Where any difficulty arises in regard to any distribution under paragraph (1) or (2) of this Article the Board may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any transactions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Shareholders in order to adjust the rights of the parties, as may seem to be expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or

desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

#### Accounts

143. (1) The Board shall cause accounting records to be kept in accordance with the Act.
- (2) The accounting records shall be kept at the office or, subject to the Act, at such other place or places as the Board think fit, and shall always be open to the inspection of the officers of the Company.
- (3) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of them shall be open to the inspection of Shareholders not being officers of the Company, and no Shareholder (not being an officer of the Company) shall have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Board or by the Company in general meeting.
- (4) The Board shall from time to time in accordance with the Act cause to be prepared and to be held before the Company in general meeting such profit and loss accounts, balance sheets, group Accounts (if any) and reports as are referred to in the Act.
44. (1) Subject to the provisions of Paragraph (3) of this Article, a copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the Auditor's report and the Board's report, shall not less than 21 days before the date of the meeting be sent to every Shareholder and every Holder of debentures of the Company and to every other

person who is entitled to receive notices of meetings from the Company under the provisions of the Act or the Articles.

- (2) Any Shareholder or Holder of debentures to whom a copy of the documents referred to in Paragraph (1) of this Article has not been sent shall be entitled to receive a copy free of charge on application to the office.
- (3) This Article shall not require a copy of the documents referred to in Paragraph (1) of this Article to be sent to any person of whose address the Company is not aware or to more than one of the joint Holders of any Shares or debentures.

#### Auditors

45. (1) An Auditor shall be appointed and his duties regulated in accordance with the Act.
- (2) An Auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting, which any Shareholder is entitled to receive and to be heard at any general meeting on any part of the business of the meeting, which concerns him as Auditor.
- (3) Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

#### Notices

146. (1) Any notice or document (including a Share certificate) may be served on or delivered to any Shareholder by the Company either by hand or by sending it through the post or other delivery service in a prepaid cover addressed to such Shareholder at his registered address, or (if he has no registered address within

Tanzania) to the address, if any, within Tanzania supplied by him to the Company as his address for the service of notice, or by delivering it to such address addressed as aforesaid.

- (2) In the case of a Shareholder registered on a branch register any such notice or document may be posted or dispatched either in Tanzania or in the territory in which such branch register is maintained.
- (3) Where a notice or other document is served or sent by hand, it shall be deemed to be served at the time it is handed to or left for the Shareholder at such address, addressed as aforesaid. Where it is sent by post or other delivery service, it shall be deemed to be served:
  - (a) 24 hours after posting, where courier service is employed, or
  - (b) 72 hours after it is posted or given to delivery agents (as the case may be) where any means of delivery other than courier service is employed.

In proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, prepaid (where appropriate) and posted or given to delivery agents.

147. The Company may at its discretion serve any notice or document (including a Share certificate) on any Shareholder who is an employee of the Company or any subsidiary of the Company at his last known place of work in the Company or any subsidiary by sending it through the Company's internal postal arrangements and service shall be deemed to be effected on the day following that on which the letter containing the same is dispatched in the internal postal systems. The Company's records of such despatch shall be deemed to be proof of such service.

148. Any notice given to that one of the joint Holders of a Share whose name stands first in the Register in respect of the Share shall be sufficient notice to all the joint Holders in their capacity as such. For such purpose a joint Holder having no registered address in

Tanzania and not having supplied an address within Tanzania for the service of notices shall be disregarded.

149. A person entitled to a Share in consequence of the death, bankruptcy or mental disorder of a Shareholder or by operation of law or any other event upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share, and upon supplying also an address within Tanzania for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the Shareholder but for such an event would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Shareholder in pursuance of the Articles shall, notwithstanding that such Shareholder be then dead or bankrupt, in liquidation or suffering from mental disorder and whether or not the Company shall have notice of any such event or circumstances, be deemed to have been duly served or delivered in respect of any Share registered in the name of such Shareholder as sole or first-named joint Holder.

50. (1) A Shareholder who (having no registered address within Tanzania) has not supplied to the Company an address within Tanzania for the service of notices shall not be entitled to receive notices from the Company.

(2) If on two consecutive occasions notices or other documents have been sent through the post to any Shareholder at his registered address or his address for the service of notice but have been returned undelivered, such Shareholder shall not from then on be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within Tanzania for the service of notices.

151. Any Shareholder present, either in person or by proxy, at any meeting of the Company or of the Holders of any class of Shares in the Company shall for all purposes be deemed

to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was convened.

152. (1) Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the Holders of any class of Shares, notice of every general meeting shall be given in any manner hereinbefore authorised to:

(a) every Shareholder except those Shareholders who (having no registered address within Tanzania) have not supplied to the Company an address within Tanzania for the giving of notices to them;

(b) the Auditor for the time being of the Company; and

(c) the Board.

(2) No other person shall be entitled to receive notices of general Meetings.

153. (1) Any notice required to be given by the Company to the Shareholders, or any of them, and not expressly required by the Articles or the Act to be given in any particular manner may be sufficiently given by advertisement.

(2) Without prejudice to the generality of paragraph (1) of this Article, if at any time the Company is unable effectively to convene a general meeting or a meeting of the Holders of any class of Shares in the Company by notices sent through the post in Tanzania as a result of the suspension or curtailment of postal services, notice or such meeting may be given by advertisement in Tanzania. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout Tanzania again becomes practicable.

(3) Any notice given by advertisement shall be advertised on the same date in at least two leading daily newspapers in Tanzania (at least one of which shall be a

national newspaper) and such notice shall be deemed to have been served at noon on the day when the advertisement appears.


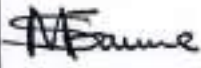
#### **Winding up**

If the Company shall be wound up the liquidator may, with the sanction of an Extraordinary resolution of the Company and any other sanction required by and subject to the provisions of the Act, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, give such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any Shares or other securities in respect of which there is any liability.

#### **Untraced Shareholders**

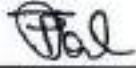
155. (1) The Company shall be entitled to sell the Shares of a Shareholder or the Shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:
- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the later one) at least three Dividends in respect of the Shares in question have become payable and all warrants and cheques in respect of the Shares in question sent in the manner authorised by the Articles have remained uncashed; and
  - (b) the Company shall on expiry of the said period of 12 years have inserted advertisements, in both a national daily newspaper and a newspaper circulating in the area in which the last known address of the Shareholder

or about the execution of the duties of his office or employment, or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under section 153 of the Act in which relief granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

Names, Post Address and Occupation of Subscriber.	Number of Shares taken by each Subscriber.	Signatures of Subscribers.
MACHUNDE ELIASAPH SOSPETER P.O. BOX 35116 DAR ES SALAAM	9,950	
MIGEMO MFAUME OMARY P.O. BOX 784 TABORA	50	

Dated this 6<sup>th</sup> day of June, 2014

WITNESS to the above signatures:

Signature: 

Postal Address: Box 75087  
Dar Es Salaam

Qualification: ADVOCATE

